

Cancon



Feb

The H.A. Roberts Group

AR10

At the Annual Meeting on February 5, 1974 the following Directors were elected:

Dr. Ben Bookhalter

Kevin P. Boyle

W. Joseph Bronstein

Eli L. Fluter

Kenneth R. MacLeod

John P. Roberts

Frank Sojonky

Casey C. Vanee

The Directors wish to announce effective February 5, 1974 the following appointments:

OFFICERS AND EXECUTIVE

W. Joseph Bronstein

President

Frank Sojonky, B. Comm.

Executive Vice President

Casey C. Vanee

Senior Vice President

Kevin P. Boyle

Senior Vice President

Eli L. Fluter, B. Comm., C.A.

Treasurer

Kenneth R. MacLeod, Q.C.

Secretary



The H.A. Roberts Group Ltd.

EXECUTIVE OFFICES

2222 - 11th Avenue, Regina
 1198 West Pender Street, Vancouver
 562 Burrard Street, Vancouver



DIRECTORS

Dr. Ben Bookhalter
John Bow
Kevin P. Boyle
W. Joseph Bronstein
Eli L. Fluter
Kenneth R. MacLeod
H. A. Roberts
John P. Roberts
Frank Sojonky
Casey C. Vanee

OFFICERS AND EXECUTIVE

H. A. Roberts
Chairman of the Board

John Bow
President

W. Joseph Bronstein
Executive Vice-President

Frank Sojonky, B. Comm.
Vice-President, Finance and Marketing

Casey C. Vanee
Vice-President, Planning and Construction

Kevin P. Boyle
Vice-President, Investment Properties

Kenneth R. MacLeod, LL.B.
Secretary

Eli L. Fluter, B.Comm., C.A.
Treasurer

REPORT TO SHAREHOLDERS



This certainly has been the busiest year in our life. We've experienced more financial growth and more creative development than ever before. And it's just the beginning.

1973 saw The H. A. Roberts Group, Ltd. increase total assets to \$13.3 million, which was more than double our previous assets. Our net profit after taxes was \$332,000 up 202% over last year and our cash flow increased 170% to \$722,000. This growth trend was evident throughout our entire operation. H. A. Roberts, Ltd., our wholly-owned B.C. real estate brokerage division established new sales volume records.

The Hotel division is enjoying a continuing increase in gross revenue and net profit from our Westward Motor Inn in Regina showing an 85.1% occupancy rate for the year. Since the Moose Jaw Westward Inn did not meet our corporate profit criteria it was sold at a profit in June 1973.

In B.C., Orchard Valley Estates was the big success story. The show units were ready in June and by September all 180 condominium units were sold. In Saskatchewan we just completed a 20-storey apartment complex. It's the largest pre-cast structure ever erected in Saskatchewan and it was completed in record time — 51 working days.

For '74 we've begun preparation for the Three Island Estates in Port Moody, B.C. Three Island Estates is environmental design of a total living community along the waterfront of the Burrard Inlet. And in Saskatchewan we're building Sandpiper Heights, a truly elegant Town House development.

Each of these plans are immediate and yet they are also long-range in scope. Before we develop an area, we have a complete ecological study prepared so that we can be certain that our ideas are compatible with the natural surroundings as well as with the sociological and commercial environments. We try to create the kind of

living environments we ourselves would be comfortable in. That's just common sense, but it works.

And what makes it work is our people. They're good at their jobs and that's how things get done. There are 393 people working for The H. A. Roberts Group, Ltd. and we're proud of each and every one of them. Without them we wouldn't be where we are today and we couldn't get to where we're going tomorrow. And that's a fact.

The Board of Directors,

PENDER STREET AND SEATON STREET (WEST HASTINGS ST.) AT BUTE STREET, 1896.



Deadmans Island, and its squatters' homes. More squatters' homes on Stanley Park shore on right. On left— Grand stand and Club House of Brockton Point Athletic Club. Coal Harbour and Stanley Park. The solitary house, above the shore at the foot of Bute Street, is the residence of J. P. Roberts, Esq., accountant, Bank of British North America, and father of H. A. Roberts, Esq., of H. A. Roberts, Ltd.,

well known. Had this residence borne a street number it would have been 1201 Seaton Street, a fashionable residential street on account of uninterrupted view of sea, forest and mountain. A single track street car line ran direct to Post Office on Pender Street at Granville Street; the rails are hidden by the snow. The small trees have grown up since the original forest was cleared away in spring of 1887, wild bushes

welcome in a treeless city. At the time, 1896, the "West End" was still mostly a vacant clearing, as also Grandview, and Fairview, and a towering forest covered Kitsilano, as yet unnamed. Sidewalks— three wood planks lengthwise. Davie St., and most "West End" streets not open. Electric light; water from Capilano, few telephones. Str. N.130, P.212 GN 901. City Archives

REGINA DIVISION



The Westward Motor Inn in Regina. The pride and joy of the Hotel Division. With an occupancy rate of 85.1% for the year, everyone had a holiday here but us.

The Westfield Twins have been designed as more than just a place to hang your hat. It's a place to hang out in. "THE CLUB" is a perfect place for entertaining friends and guests.



51 working days ago this was a bare site. Now it's the highest pre-cast structure ever built in Saskatchewan. Roberts Plaza is luxury leisure living with just the finest view of Regina.

It may be Regina-cold outside Westfield One & Two but it's Hawaii-warm inside. We have the first 'year-round' residential pool ever built in Regina.





Wascana Estates Town Houses with Roberts Plaza in the background. One of the most intriguingly designed condominiums in Western Canada. Conveniently located to the heart of the city and still a world apart in mood and lifestyle.

Here is one of the Westfield Twins from the outside. It's a nice place to come home to after a hard day. A quick dip and sauna and the evening becomes a whole new day for you.





REAL ESTATE DIVISION

The H. A. Roberts Group Real Estate Division has grown to a staff of 90 sales people responsible for more than \$30 million in sales revenue.



WE'D LIKE YOU TO MEET SOME OF OUR B.C. REAL ESTATE PEOPLE



The annual Christmas Party of sales people and staff of H. A. Roberts Ltd.



John Roberts, Director and John Bow, President of H. A. Roberts Ltd., with H. A. Roberts, founder of H. A. Roberts Realty and Chairman of the Board of The H. A. Roberts Group, Ltd.



Mortgage Manager Ross Farrell, I.C.I. Branch Manager Art Chipman, John Bow and Colin MacMillan, the Kerrisdale Manager.



B.C. Lion's Trevor Ekdahl, salesman for H. A. Roberts Ltd. with his dad, Elmer Ekdahl, Vice-President of the North Shore Branches.



Les Wellman, Manager of the Burnaby branch with John Bow and Elmer Ekdahl.



Our Manager from Maple Ridge, Ron McWilliams with John Bow and Bob Boileau, the Coquitlam Sales Manager.

VANCOUVER PROPERTIES



Lion's Bay is a well-known Vancouver land-mark. It soon may become a housing land-mark. We're studying ways right now to blend its ocean-side romanticism with one of the most contemporary developments in community living design — cluster housing.

(Bottom left) This is the site of a future luxury condominium development right alongside the ninth fairway of the prestigious Vancouver Golf Club.

(Below) The Cape Horn sub-division is one of many of its type we have in the Lower Mainland.



ORCHARD VALLEY ESTATES



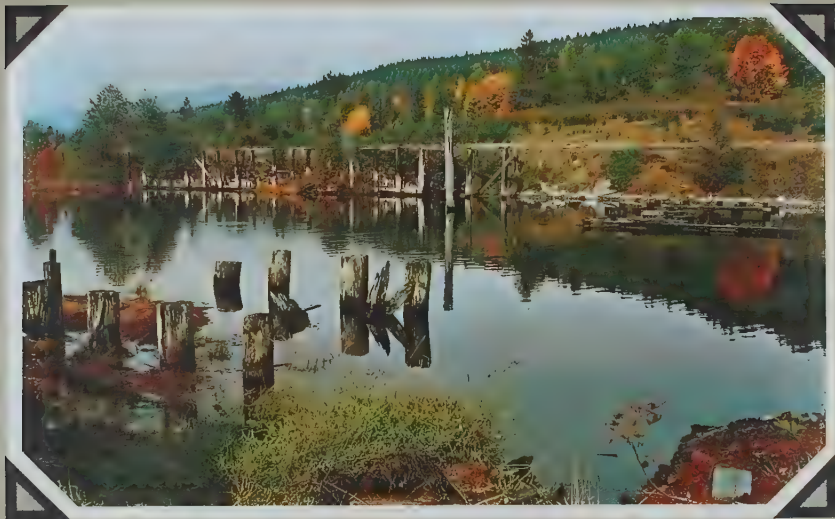
We felt that Port Coquitlam was just the place for a large 180 unit condominium development, and we were right . . . the show units were opened in June and by September Orchard Valley Estates was completely sold out! We really believe in the condominium way of life. It's a sound investment for the individual owner



offering a high resale potential, a care-free living space with recreational facilities impossible in an ordinary home. All the privacy of your own home and all the collective advantages of a shared community. Condominiums are the housing wave of the future and we'll be right there at the forefront.



THERE'S MORE HERE THAN MEETS THE EYE



This is the site of the Old Cattermole Sawmill on the Upper Burrard Inlet in Port Moody. At least that's what it is today . . .



Tomorrow it may very well be Three Island Estates. An entire new waterfront community. Environmental Consultants Howard Paish & Associates are currently preparing an evaluation of this area. "... we will assess what the site-specific impact of the proposed development would be, suggest an approach to development that will avoid disturbance of the natural eco-systems and where possible suggest ways in which the development can capitalize on existing environmental values." The end result will be a planned community that grows organically from the existing environment, a complementary living plan rather than an environmental disturbance.



IT WAS A VERY GOOD YEAR. . . .

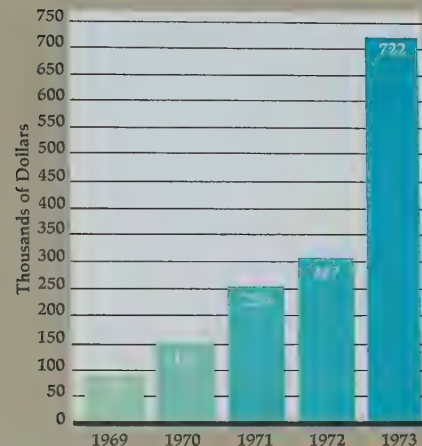


The H.A. Roberts Group Ltd.

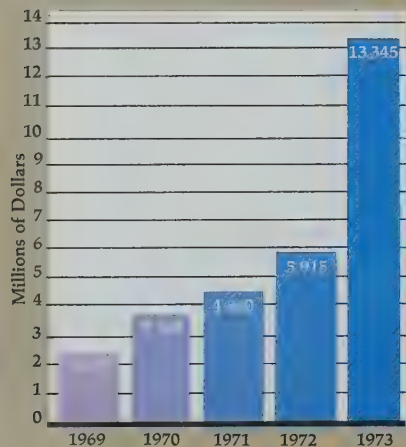
It's been quite a year since the merger in February of 1972 between McAra Properties Ltd. of Regina and H. A. Roberts Ltd. of Vancouver. 1973 saw the new H. A. Roberts Group increase its cash flow by 50%, double its total assets, double its earnings and increase its sales by 30%. We can hardly wait for the new year to begin.

Cash flow is shown before depreciation, amortization, deferred income taxes and mortgage principal repayments.

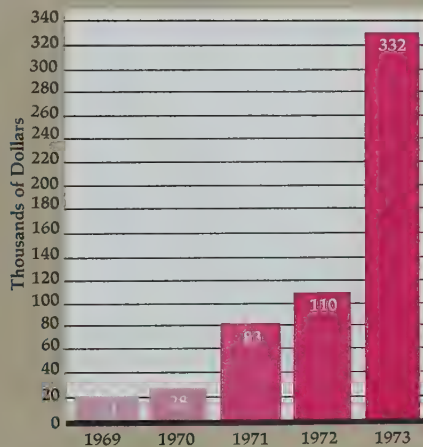
CASH FLOW



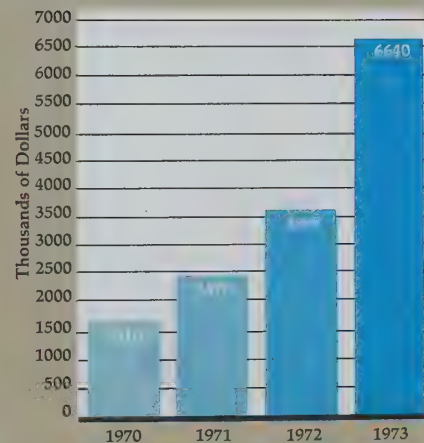
TOTAL ASSETS



EARNINGS



SALES



THE TEAM AT WORK

This is unquestionably an exciting time for The H. A. Roberts Group. New ideas, new developments, new awareness and growth. That's the key — growth. And that means more than just a jump in profit. It means a sense of progress, an acceleration into the future. After all, when you get right down to it, that's what real estate development is all about; the future. That's why we're so excited. We know where we want to go and we know how to get there.





The H.A. Roberts Group Ltd. AND SUBSIDIARY COMPANIES

(Incorporated under the Companies Act, Saskatchewan)

ANNUAL REPORT 1973

HIGHLIGHTS

	1973	1972
Sales	\$ 6,040,000	\$ 5,685,000
Cash Flow	\$ 722,000	\$ 207,000
Cash Flow per share	45.6¢	20.8¢
Earnings	\$ 332,000	\$ 110,000
Earnings per share	20.9¢	8.0¢
Total Assets	\$13,345,000	\$6,000,000

**Based on average number of shares outstanding and fully paid.

Cash flow is shown before depreciation, amortization, deferred income taxes and mortgage principal repayments.

6,099,000
5,915,000
184,000



The H.A. Roberts Group Ltd. AND SUBSIDIARY COMPANIES

(Incorporated under the Companies Act, Saskatchewan)

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 1973

ASSETS

	1973	1972
ACCOUNTS AND MORTGAGES RECEIVABLE.....	\$ 1,757,000	\$ 381,000
PROPERTY UNDER DEVELOPMENT AND WORK IN PROGRESS (Note 3).....	3,305,000	508,000
AGREEMENTS RECEIVABLE.....	619,000	—
PREPAID EXPENSES AND SUPPLIES.....	161,000	168,000
REVENUE-PRODUCING PROPERTIES COMPLETED AND UNDER DEVELOPMENT at cost less accumulated depreciation (Note 3)...	6,921,000	4,557,000
INVESTMENT IN LAND SYNDICATE (Note 4).....	139,000	128,000
LOAN RECEIVABLE FROM SHAREHOLDERS.....	238,000	—
GOODWILL (Note 5).....	205,000	173,000
	<u>\$13,345,000</u>	<u>\$5,915,000</u>

Signed on behalf of the Board:

John Bow Director.

Eli L. Fluter Director.

LIABILITIES AND SHAREHOLDERS' EQUITY

	1973	1972
LIABILITIES		
BANK INDEBTEDNESS (Note 6)	\$ 1,423,000	\$ 984,000
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	1,760,000	954,000
INCOME TAXES PAYABLE	13,000	12,000
MORTGAGES AND AGREEMENTS PAYABLE ON LAND AND PROPERTY UNDER DEVELOPMENT	2,756,000	—
MORTGAGE LOANS (Note 7)	5,285,000	2,710,000
DEFERRED INCOME TAXES	428,000	145,000
CONTINGENT LIABILITIES (Note 4)		
	<u>11,665,000</u>	<u>4,805,000</u>
 SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 8)		
Authorized		
3,000,000 shares without par value		
Issued		
1,583,520 shares	1,105,000	1,105,000
Uncollected subscriptions	—	238,000
	<u>1,105,000</u>	<u>867,000</u>
RETAINED EARNINGS	575,000	243,000
	<u>1,680,000</u>	<u>1,110,000</u>
	<u>\$13,345,000</u>	<u>\$5,915,000</u>



The H.A. Roberts Group Ltd. AND SUBSIDIARY COMPANIES

(Incorporated under the Companies Act, Saskatchewan)

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS For the Year ended September 30, 1973

	1973	1972
SALES		
Property sales, rentals, commissions and fees	\$5,323,000	\$2,118,000
Gross revenue from hotels	<u>1,317,000</u>	<u>1,567,000</u>
	6,640,000	3,685,000
EXPENSES		
Operating costs and expenses	5,788,000	3,127,000
Depreciation and amortization	107,000	110,000
Interest on mortgages	274,000	233,000
Other interest	<u>50,000</u>	<u>39,000</u>
	6,219,000	3,509,000
EARNINGS FROM OPERATIONS	421,000	176,000
OTHER INCOME	<u>207,000</u>	<u>—</u>
EARNINGS BEFORE INCOME TAXES	628,000	176,000
PROVISION FOR INCOME TAXES		
Current	13,000	19,000
Deferred	<u>283,000</u>	<u>47,000</u>
	296,000	66,000
NET EARNINGS	332,000	110,000
(Net earnings per share — Note 10)		
Retained earnings at beginning of year	243,000	133,000
RETAINED EARNINGS AT END OF YEAR	\$ 575,000	\$ 243,000
	20.9¢	8.6¢



The H.A. Roberts Group Ltd. AND SUBSIDIARY COMPANIES

(Incorporated under the Companies Act, Saskatchewan)

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF CASH For the Year ended September 30, 1973

	1973	1972
SOURCE OF CASH		
Operations		
Net earnings	\$ 332,000	\$ 110,000
Non-cash charges		
Depreciation and amortization	107,000	110,000
Deferred income taxes	283,000	47,000
	722,000	267,000
Proceeds of mortgage loans	2,713,000	719,000
Issue of shares	—	228,000
Sale of revenue-producing properties	457,000	528,000
Increase in accounts payable and accrued liabilities	807,000	585,000
Mortgages on land and property under development	2,756,000	—
Conversion of share subscription to loans receivable	238,000	—
	<u>7,693,000</u>	<u>2,327,000</u>
APPLICATION OF CASH		
Additions to revenue-producing properties	2,913,000	1,608,000
Repayment of mortgage loans	138,000	130,000
Mortgages on properties sold	—	445,000
Purchase of goodwill	39,000	173,000
Purchase of minority interest	—	8,000
Increase in property under development	2,797,000	373,000
Increase in accounts receivable	1,376,000	246,000
Increase in agreements receivable	619,000	—
Increase in investments and other assets	12,000	53,000
Increase in loan receivable	238,000	—
	<u>8,132,000</u>	<u>3,036,000</u>
INCREASE IN BANK INDEBTEDNESS	439,000	709,000
Bank indebtedness at beginning of year	984,000	275,000
BANK INDEBTEDNESS AT END OF YEAR	<u>\$1,423,000</u>	<u>\$ 984,000</u>



The H.A. Roberts Group Ltd. AND SUBSIDIARY COMPANIES

(Incorporated under the Companies Act, Saskatchewan)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1973

1. CONSOLIDATION

The consolidated financial statements include the accounts of H. A. Roberts Ltd. and United Western Supply Ltd.

2. ACCOUNTING POLICIES

An appropriate portion of interest, property taxes and overhead expenses directly related to development are added to the cost of land and work in progress. For the current year, such additions amounted to \$212,000 (1972 — \$53,000).

3. PROPERTIES

Properties under development and work in progress:

Land	
Future development	\$1,742,000
Under development	162,000
Construction in progress	<u>1,401,000</u>
	<u>\$3,305,000</u>

Revenue-producing properties completed and under construction, including joint ventures (Note 4):

	Cost	Accumulated Depreciation	Net
Apartments and commercial			
Land	\$ 469,000		\$ 469,000
Buildings and equipment	3,975,000	\$111,000	3,864,000
Construction in progress	2,044,000		2,044,000
Hotel			
Land	152,000		152,000
Buildings and equipment	<u>771,000</u>	<u>379,000</u>	<u>392,000</u>
	<u>\$7,411,000</u>	<u>\$490,000</u>	<u>\$6,921,000</u>

Depreciation is provided in the accounts on the 5% sinking fund method for apartments and commercial buildings based on estimated useful life of 40 years, and 5% diminishing balance method for hotel buildings. Other assets are depreciated at various rates to amortize cost over their appropriate useful lives.

4. CONTINGENT LIABILITIES AND JOINT VENTURES

The accounts include the company's share of the revenues and expenses and of the assets and liabilities of 50% joint ventures with a total book value of \$1,312,000 against which there are mortgages in total amounting to \$1,002,000.

The investment in land syndicate represents a 25.28% interest in Porter Properties Syndicate. The audited financial statement of the syndicate at September 30, 1973 shows total assets of \$723,000 and liabilities of \$221,000.

A homeowners association has brought a legal action against the City of Regina and the company in respect to a multi-family development in Regina. In the opinion of the company's solicitors, this action will be successfully defended. However, as collateral security for the National Housing Act mortgage on the property, the company has issued, to the lender, a debenture amounting to \$3,547,000 secured by other company properties which becomes exigible in the event of a default on the mortgage and non-payment of the mortgage insurance.

5. GOODWILL

Amortization of goodwill is on a straight-line basis over 40 years.

6. BANK INDEBTEDNESS

Bank loans are secured by a general assignment of accounts receivable, assignment of proceeds of mortgage loans on work in progress and revenue-producing properties under development and a demand debenture on the assets of the company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
September 30, 1973

7. MORTGAGE LOANS

Mortgage loans are summarized as follows:

	Average Interest	Maturity Dates	Amount
Revenue-producing properties			
Apartments and commercial			
First mortgages	9 1/4%	1975 to 2007	\$3,079,000
Second mortgages	12 3/4%	1975 to 1976	242,000
Amounts drawn down on work in progress	8 7/8%	2009	1,436,000
Hotel			
First mortgage	8%	1975	257,000
Properties sold under agree- ments for sale	11%	1976 to 1978	<u>271,000</u>
			<u>\$5,285,000</u>

Mortgage principal repayments over the next 5 years are as follows:

1974	\$ 96,000
1975	683,000
1976	629,000
1977	100,000
1978	\$ 38,000

8. CAPITAL STOCK

During the year, options outstanding were cancelled. As a result, there were no shares reserved as at September 30, 1973. The uncollected share subscriptions as at September 30, 1973 have been converted to non-interest bearing loans receivable due 1982.

9. COMMITMENTS

Estimated cost to complete projects in progress and under development will amount to approximately \$3,477,000. Of this amount, the companies have at September 30, 1973 entered into firm commitments amounting to \$3,100,000.

10. EARNINGS PER SHARE

	1973	1972
Earnings based on weighted monthly average of number of shares outstanding and fully paid	20.9¢	8.6¢
Fully diluted earnings reflect the issue of all shares reserved for possible issuance	20.9¢	7.4¢

AUDITORS' REPORT

To The Shareholders
The H. A. Roberts Group Ltd.

We have examined the consolidated balance sheet of The H. A. Roberts Group Ltd. and its subsidiaries as at September 30, 1973 and the consolidated statements of earnings and retained earnings and source and application of cash for the year then ended, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at September 30, 1973 and the results of their operations and the source and application of their cash for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. All the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

Regina, Saskatchewan
November 16, 1973

RIDDELL, STEAD & CO.
Chartered Accountants



The H.A.Roberts Group Ltd.

